



State of Rhode Island
Office of the General Treasurer
State House – Room 102
Providence, Rhode Island 02903

Seth Magaziner
General Treasurer

May 4, 2021

Honorable Marvin L. Abney, Chair
House Committee on Finance

Re: In support of H6250- An Act Relating to Labor and Labor Relations – Employment Security – Benefits

Dear Chair Abney,

I write to express my support for H6250, legislation that would establish a Self-Employment Assistance Program to support entrepreneurship.

Prior to COVID, small businesses made up 98 percent of total businesses in Rhode Island, employing over 50% of the private workforce. But, the COVID-19 pandemic pummeled small businesses in Rhode Island, with revenues decreasing over 47% between January 2020 to February 2021. Meanwhile, larger companies have benefitted, with Amazon's revenue up 38% and Walmart's up 7% last year.

As General Treasurer, I have dedicated the work of my office to promoting economic growth and financial stability for our state and its families. As we focus on advancing a speedy and broad-based recovery from COVID-19, we need to not only ensure that our existing businesses have the tools they need to succeed, but local entrepreneurs are engaged and supported in starting new small businesses.

A Self-Employment Assistance (SEA) Program allows participants to earn unemployment benefits for a limited period of time while they start their new business. Additionally, entrepreneurs enrolled in SEA will be required to be in a training program approved by the Department of Labor and Training to provide additional support. Currently, several states – including New Hampshire, New York, Oregon, Delaware and Mississippi – have active SEA programs. SEA does not have a State budget impact, as it is funded from the Unemployment Insurance Trust Fund.

To re-establish the central role small businesses have in our economy, we need more businesses to open, and SEA will support this entrepreneurship. I urge this Committee to support this bill and thank you for your consideration.

Sincerely,

Seth Magaziner
General Treasurer

cc: Honorable Members of the House Committee on Finance
Honorable K. Joseph Shekarchi, Speaker of the House
Honorable Terri Cortvriend